

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT

August 2004

Summary

Revenue collections were strong in August, increasing by 11.0 percent. All of the major revenue sources showed well above average growth with particularly robust growth in the motor vehicle sales and use tax. On a year-to-date basis, growth is up 6.9 percent.

September marks the beginning of the fall forecasting process. The Governor's Advisory Board of Economists will meet in October as the first step in assessing the strength of the Virginia economy over the next biennium.

Motor Fuels Tax (including PTF Fuels Tax Revenue)

Motor Fuels Tax collections grew by 6.8 percent in August. Annual collections through the first two months of fiscal year 2005 are up 6.1 percent. Small reductions in monthly average pump prices are expected after Labor Day. This development may accelerate price declines in the near term, and the U.S. average pump price for regular gasoline may dip below \$1.80 per gallon by the end of the year. However, high current and projected crude oil costs suggest that larger reductions in average gasoline prices are unlikely anytime soon.

Motor Vehicle Sales and Use Tax

As expected, vehicle sales rebounded in July (August sales tax collections) supported by stepped up incentive spending. Collections in this source surged by 17.6 percent in August and are up 7.2 percent for the year. Supporting the overall steady pace of sales is the high vehicle affordability. Zero percent financing is still readily available. And combined with stronger income and employment gains, vehicle affordability reached a 25-year high during the second quarter.

State Retail Sales Tax

The transportation portion of the State Retail Sales Tax increased 9.0 percent in August. Collections in this source are up 8.5 percent in fiscal year 2005.

Motor Vehicle Licenses

Motor Vehicle Registration transactions grew by 8.6 in August. Motor vehicle license receipts are down 4.6 percent for the year.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Summary Statement of Revenue Estimates & Collections
For the Fiscal Years 2004 and 2005
(Dollars in Thousands)

Revenue	FY 2005 Estimate	As a % of Total Fund	August			Year-To-Date			% Annual Growth Required By Estimate
			FY 2005	FY 2004	% Change	FY 2005	FY 2004	% Change	
Motor Fuel Taxes	\$860,500	28.51	\$76,635	\$71,774	6.8	\$78,191	\$73,702	6.1	1.7
Priority Transportation Fund	20,000	0.66	0	0	-	0	0	-	0.0
Motor Vehicle Sales and Use Tax	600,200	19.90	58,107	49,405	17.6	108,585	101,311	7.2	(0.6)
State Sales and Use Tax	417,500	13.84	37,093	34,026	9.0	52,700	48,588	8.5	0.6
Motor Vehicle License Fees	146,700	4.86	14,868	13,695	8.6	27,744	29,075	(4.6)	(9.9)
International Registration Plan	61,500	2.04	2,474	2,630	(5.9)	6,493	4,732	37.2	13.2
Interest Earnings	15,400	0.51	54	1	#	(99)	5	#	44.3
Misc. Taxes, Fees, and Revenues	18,600	0.62	2,996	1,634	83.4	5,145	3,471	48.2	(13.0)
Total State Taxes and Fees	\$2,140,400	70.94	\$192,227	\$173,165	11.0	\$278,759	\$260,884	6.9	0.3

Percentage is greater than 1,000%.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Statement of Revenue Estimates & Collections
For the Fiscal Years 2004 and 2005
(Dollars in Thousands)

Revenue	FY 2005 Estimate	As a % of Total Fund	August			Year-To-Date			% Annual Growth Required By Est
			FY 2005	FY 2004	% Change	FY 2005	FY 2004	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$733,700	24.31	\$66,323	\$62,037	6.9	\$66,256	\$62,131	6.6	0.8
Motor Vehicle Sales and Use Tax	385,800	12.79	37,369	31,373	19.1	69,891	64,631	8.1	(0.8)
Motor Vehicle License Fees	125,400	4.15	13,023	11,911	9.3	24,320	25,425	(4.3)	(11.8)
International Registration Plan	61,500	2.04	2,474	2,630	(5.9)	6,493	4,732	37.2	13.2
Misc. Taxes, Fees, and Revenues	18,600	0.62	2,996	1,634	83.4	5,145	3,471	48.2	(13.0)
Total State Taxes and Fees	\$1,325,000	43.91	\$122,185	\$109,585	11.5	\$172,105	\$160,390	7.3	(0.7)
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$2,846	\$710	300.8	\$3,641	\$1,270	186.7	(100.0)
Transfer (to) / from Transportation Trust Fund	\$244,600	8.11	(\$25,179)	\$0	-	\$121,592	\$20,177	502.6	329.9
Total Highway Maintenance and Operating Fund	\$1,569,600	52.02	\$99,852	\$110,295	(9.5)	\$297,338	\$181,837	63.5	11.7
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$126,800	4.20	\$10,312	\$9,737	5.9	\$11,935	\$11,571	3.1	7.3
Priority Transportation Fund	20,000	0.66	0	0	-	0	0	-	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	214,400	7.11	20,738	18,032	15.0	38,694	36,680	5.5	(0.4)
State Sales and Use Tax	417,500	13.84	37,093	34,026	9.0	52,700	48,588	8.5	0.6
Motor Vehicle License Fees	21,300	0.71	1,845	1,784	3.4	3,424	3,650	(6.2)	3.8
Interest Earnings	15,400	0.51	54	1	#	(99)	5	#	44.3
Total State Taxes and Fees	\$815,400	27.03	\$70,042	\$63,580	10.2	\$106,654	\$100,494	6.1	2.0
Other Revenues:									
Federal Grants and Contracts	\$764,800	25.35	\$31,221	\$53,494	(41.6)	\$68,984	\$108,445	(36.4)	19.7
Receipts from Cities/Counties	43,700	1.45	3,321	3,788	(12.3)	6,573	10,480	(37.3)	37.9
Toll Revenues (Includes Route 28)	62,900	2.08	8,115	4,289	89.2	13,218	8,535	54.9	(15.6)
Miscellaneous Revenues	5,500	0.18	604	2,672	(77.4)	11,885	3,836	209.8	(70.0)
Total Other Revenues	\$876,900	29.06	\$43,261	\$64,243	(32.7)	\$100,660	\$131,296	(23.3)	14.8
Transfer (to) / from Highway Maintenance and Operating Fund	(\$244,600)	(8.11)	\$25,179	\$0	-	(\$121,592)	(\$20,177)	(502.6)	(329.9)
Total Transportation Trust Fund	\$1,447,700	47.98	\$138,482	\$127,823	8.3	\$85,722	\$211,613	(59.5)	(3.9)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$3,017,300	100.00	\$238,334	\$238,118	0.1	\$383,060	\$393,450	(2.6)	3.6

Percentage is greater than 1,000%.